



**COOPERATIVE SOCIETIES AUDIT
IMPLEMENTATION DIRECTIVE NO. 978/2016**

December,2023

Addis Ababa

ETHIOPIAN COOPERATIVE COMMISSION

Directive Issued on Audit Execution for Cooperative Societies

Whereas it is necessary to make transparent the duties and responsibilities of the Appropriate authority, the cooperative societies and auditors during audit,

Whereas it is necessary to put in place operational procedure for the implementation of delegate audit at least once a year in order to insure the financial security cooperative societies;

Whereas it is necessary to have consistent complaint resolution mechanism to Address grievances submitted against cooperative audit reports;

Whereas it is necessary to provide cooperative societies with sustainable audit service so that their financial system be healthy and secured and free from Corruption and unethical conduct;

Whereas it is necessary to enable cooperative auditor to follow accepted international audit standards, and be aware of the rights, duties and ethical Principles to carry out its activities;

Whereas it is necessary to ensure the professional competence and impartiality of cooperative auditors and to launch uniform cooperative audit execution system;

Whereas it is necessary to ensure that the audit report prepared by cooperative auditors is acceptable by all the beneficiaries of the audit report;

Now, therefore, in accordance with Article 76(3) of the Cooperatives Proclamation No. 985/2009, Article 5 of the Cooperative Commission Establishment Proclamation No. 274/1996, and Article 78(2) of the Definition Powers and Duties of the Executive Organs Proclamation No. 1263/2014, the Ethiopian Cooperative Commission has issued this directive.

PART ONE

GENERAL

1. Short title

This directive may be cited as Cooperative Audit Implementation directive No.978/2023.

2. Definition

Without prejudice to the definition of terms in cooperative societies

Proclamation no. 985/2009, in this directive;

- 1) ” **Cooperative audit**” means the examination of cooperative societies financial statements, reporting the result and providing an audit opinion in accordance with the laws of the cooperative societies and other laws of the country, following the internationally accepted auditing standards by auditors who have the knowledge required by the audit work impartially;
- 2) "**Delegate Audit**" means the audit of the accounts of cooperative societies by a delegate auditor authorized by the appropriate authority.
- 3) "**Sample audit**" means conducting an audit by taking a representative sample of transactions from the total transactions of a cooperative society during the accounting period
- 4) "**Cooperative auditor**" means an auditor assigned by the appropriate authority to examine the accounts and financial statements of the

ETHIOPIAN COOPERATIVE COMMISSION

cooperative societies organized according to the Cooperatives Proclamation No. 985/2009 with the internationally accepted auditing standards and the laws in force in our country in order to give accurate professional audit opinion;

- 5) **"Delegate auditor"** means a statutory audit firm or a cooperative society organized to provide professional cooperative audit or a federation of cooperative societies or a cooperative league, authorized by the appropriate authority to audit the accounts of the cooperative societies by delegation;
- 6) **"A cooperative society subject to audit"** means a cooperative society the accounts of which are audited by a cooperative auditor or an auditor delegated by appropriate authority in accordance with this directive.
- 7) **"Audit work order letter"** means the legal letter given from the appropriate authority to order the auditor to audit a cooperative society containing the purpose of the audit work, the period of the audit and the members of the audit team.
- 8) **"Audit task place"** means a convenient and safe work place for the audit task organized by the cooperative society.
- 9) **"Audit Standard"** means internationally accepted auditing standards.
- 10) **"Audit Working Paper"** means working documents collected in an appropriate manner, relevant, reliable and sufficient audit evidence.
- 11) **"Permanent file"** means an audit working paper containing historical evidence related to audit work and basic audit work papers or documents.

ETHIOPIAN COOPERATIVE COMMISSION

- 12) **"Temporary file"** means an organized file in which evidence related to the fiscal year being audited and audit work papers or documents are contained.
- 13) **"Fraudulent act"** means intentionally concealing important information or evidence or making an incorrect statement to another party to gain an unauthorized advantage by transmitting incorrect information or evidence.
- 14) **"Audit Report"** means the audit report prepared by the auditor containing the financial statements and the auditor's audit opinion.
- 15) **"Management report"** means a report of the auditor ensuring that the cooperative society carries out its activities in accordance with cooperative society's proclamation and other relevant national laws, by laws, internal regulations and other operation procedures presenting the findings and impact along with the audit opinion.
- 16) In this directive any reference made in the masculine gender includes the feminine.

3. Scope of application

This directive shall be applicable to all types of cooperative societies organized at different levels in accordance with Cooperatives Proclamation No. 985/2016 throughout the country.

PART TWO

ETHIOPIAN COOPERATIVE COMMISSION

DUTIES AND RESPONSIBILITIES, RIGHTS AND OBLIGATIONS OF THE APPROPRIATE AUTHORITY, COOPERATIVE AUDITORS AND COOPERATIVE SOCIETIES

4. Duties and responsibilities of appropriate authority

- 1) It shall organize a human resource structure for audit work and staff with Professionals;
- 2) It shall ensure that the audit team consists of two or more members;
- 3) Without prejudice to sub-article (2) of this article, the appropriate authority may assign less than two members to conduct audits when there is only one man power.
- 4) It shall provide the necessary logistics for the implementation of cooperative audit activities;
- 5) It shall make corrective action to be taken on audit findings based on the audit report and follow up the implementation;
- 6) It shall cause an immediate response to be given to complaints submitted on the audit report;
- 7) It shall build the capacity of auditors of cooperative societies at all levels;
- 8) It shall design accessible procedures and implementation strategies and cause cooperative societies to get audit services based on the fiscal year;
- 9) It shall audit the accounts of cooperatives societies by delegate auditor;
- 10) It shall prepare the audit duration standards required to provide audit services to cooperative societies;
- 11) It shall keep in a safe and confidential place the audit work papers or documents since it is the evidence of the audit report;
- 12) Documents contained in permanent files shall be retained permanently until their permanent nature expires;
- 13) It shall give awareness creation training to delegate auditors about the concept of cooperative societies;

ETHIOPIAN COOPERATIVE COMMISSION

- 14) It shall cause the current audit files collected during audit work to be maintained for at least 10 years;
- 15) It shall deliver the approved audit report to the audited cooperative society according to the time set by the audit standard;
- 16) The appropriate authority shall provide the requested information, unless it is prohibited by law, if the justice bodies want to see the audit work papers or use them as information;
- 17) Shall Conduct audit by court order, anti-corruption, or recommendations;

5. Duties and Responsibilities of the Cooperative Auditor

- 1) Any cooperative auditor shall prepare an audit plan before starting his audit task;
- 2) Any cooperative auditor shall ensure that the financial statement presented by the cooperative society expresses the exact image of the cooperative society;
- 3) Any cooperative auditor shall show the errors that can bring significant changes during audit of the financial statement prepared by a cooperative society;
- 4) Any cooperative auditor Shall identify and reveal any fraud, waste, defects, and errors found during the audit;
- 5) Shall identify and show the operational violations identified during the audit to cooperative society subject to audit without covering them up for correction;
- 6) Shall give advice to the cooperative society subject to audit to correct the findings during audit;
- 7) Shall conduct audit following internationally accepted audit standards;
- 8) To check the account registration and account control processes of the cooperative during the auditor's audit;

ETHIOPIAN COOPERATIVE COMMISSION

- 9) Shall audit by comparing the financial statements prepared by the cooperative society with supporting accounting documents;
- 10) Without prejudice to the provisions of sub-article (9) of this article, shall verify the financial statements prepared by the cooperative society by reference to the following accounting documents:
 - A) From the journal of accounts;
 - B) Accounts listed under the heading of asset accounts;
 - C) Accounts listed under the heading of liability accounts;
 - D) By comparing the current year's financial statements of the cooperative society with the previous year's financial statements;
 - E) Non-financial accounts, the minutes of the cooperative society's meeting, the register of members and the register of participation;
- 11) Any cooperative auditor shall discuss the general business activities of a cooperative society with other committees and employees in addition to the management and the manager;
- 12) shall ensure that the cooperative society conducts its work properly in accordance with international cooperative law and agreements, national laws, regulations, directives, and by-laws issued;
- 13) He shall give free, fair, and balanced opinion on necessary matters without seeking benefit for himself or others;
- 14) shall not give the information of any cooperative society to a non-concerned party or individual unless the head of the office or the head of the work department approves it or it is necessary for the operation of the law;

6. Rights and Duties of Cooperative Auditor

- 1) The cooperative auditor shall have the following rights:**

ETHIOPIAN COOPERATIVE COMMISSION

- A) The right to have a comfortable working place that allows freely performing audit and keeping documents;
- B) The right to view documents and assets necessary for the audit and request and obtain third-party verification;
- C) The right to obtain written confirmation from managers and employees for questions asked during the investigation;
- D) The right to be free from any interference while conducting the audit;
- E) To submit audit report results freely and to provide audit opinions impartially;
- F) The right to work without any restrictions and free from any professional influence;
- G) The right not to be persuaded to include in the audit report evidence that he did not see or was not provided to him while conducting the audit;

2) The cooperative auditor shall have the following obligations:

- A) Shall have the auditor's professional ethics;
- B) Shall take along the audit work order letter when going to the cooperative society to carry out the audit work;
- C) Shall audit according to internationally accepted auditing standards;
- D) Shall carry out the audit task in accordance with the cooperative proclamation, the regulations, directives, bylaws, operating systems, and other related national laws;
- E) Shall give audit opinion whether it is done in accordance with generally accepted auditing standards after auditing the financial statements presented to him;
- F) Shall audit in person by showing up at the cooperative society's office;

ETHIOPIAN COOPERATIVE COMMISSION

- G) Without prejudice to sub-article 2(e), shall conduct audit at a location determined by the appropriate authority and the cooperative society when the auditor is unable to conduct an audit in person;
- H) Shall report to the appropriate authorities when he encounters criminal activity in the course of his audit work;
- I) Shall submit the audit report to the appropriate authority and the General Assembly in person according to the time set by the audit standard;
- J) Without prejudice to sub-article 2(g) of this article, the appropriate authority shall appoint another auditor if the auditor who conducted the audit fails to submit an audit report to the General Assembly due to force majeure;

3) Without prejudice to sub-article 2 of Article 51 of Cooperative Societies Proclamation No. 985/2009, the auditor of the cooperative society shall be responsible for the following matters:

- A) shall be responsible if he prepares an audit report that does not disclose the financial position of the cooperative society, either negligently or intentionally,
- B) Shall be responsible if he intentionally discloses the cooperative society's information to another party for personal gain,
- C) Shall be responsible if he misrepresents the audit report due to personal gain,
- D) Shall be responsible if he intentionally or negligently does not disclose in the audit report that the cooperative society has not paid government tax on time;
- E) Shall be responsible if he fails to explain the audit report in person to the General Assembly, despite order to do;

ETHIOPIAN COOPERATIVE COMMISSION

F) Shall be responsible if he directly or indirectly participates in illegal activities that adversely affect his profession and harm the interests of the cooperative society;

4) Any auditor shall be held liable proportionally according to the relevant law if he commits any of the actions mentioned in sub-article (1) of this article,

5) On Matters to be considered prior to the commencement of an audit;

1) Any cooperative auditor shall check or see the following issues before Performing the audit work:

A) Shall ensure that the cooperative society subject to audit has prepared a secure workplace for the audit;

B) Shall ensure that the initial audit report prepared earlier is confirmed by the General Assembly;

C) Shall ensure that printed accounting documents are kept consecutively;

D) Shall ensure that there are documents and evidence required for the audit work;

E) Shall ensure that financial statements are prepared and presented that describe the current business activities;

F) Shall understand in advance the business activity, scope and complexity of work, accounting and internal control systems ;

G) Shall understand and ensure the implementation of opinion on former audit and management reports, findings and recommendations;

2) Subject to sub-articles 1 (a–g) of this article if any cooperative society fails to complete and submit the evidence mentioned above, it shall complete and submit the same within the next 15 consecutive days;

ETHIOPIAN COOPERATIVE COMMISSION

3) Subject to sub-article (2) of this article, if the cooperative society subject audit does not complete and submit the necessary evidence within the scheduled time limit, the auditor shall submit in writing to the appropriate authority that it is unable to audit due to incomplete documents;

7. A cooperative auditor shall not conduct audit if he is involved in or is associated with one or more of the following:

- 1) Shall not audit if he directly or indirectly has a relationship of interest or conflict with the cooperative society subject to audit;
- 2) Shall not audit if he owes any loan from the cooperative society subject to audit;
- 3) Shall not audit if he is a member or employee of the cooperative society subject to audit;
- 4) Shall not audit if he has developed and participated in the development of an ICT software system for the past three years and has performed other activities that may affect the auditor's independence for the cooperative society subject to audit;

8. Duties and Responsibilities of Cooperative societies

- 1) Shall prepare a financial statement by recording accounts by sector and project separately;
- 2) Shall request the appropriate authority by a legal letter to conduct audit after preparing the financial statements;
- 3) Shall provide evidence and information necessary for audit related to the cooperative society's activities;
- 4) Shall assign an expert to provide evidence and information during the audit duration of time;

9. Rights and obligations of cooperative societies;

1) Rights of Cooperative Societies;

- A) Shall have the right to request audit by the appropriate authority;
- B) Shall have the right to obtain an audit report;
- C) Shall have the right to ask and understand what is not clear in the audit report;
- D) Shall have the right to file a complaint;
- E) Shall have the right to request the auditor to present the audit report to the General Assembly;

2) Obligation of cooperative societies

- A) Shall submit to the appropriate authority annual financial statement report, annual inventory of assets, and a request for an audit;
- B) Shall provide a preliminary audit report approved by the General Assembly
- C) Shall summon the individuals or entities related to the accounting work during audit;
- D) Shall make correction on opinion given during an audit;
- E) Shall prepare and submit annual financial statements of each fiscal year separately while requesting an audit for accounts more than one year;

PART THREE

**IMPLEMENTATION OF COOPERATIVE AUDIT, REPORTING, AND
FILLING COMPLAINTS**

10. Implementation of Cooperative societies Audit,

A) Matters that shall not be done during audit work;

- 1) The auditor shall not prepare financial statements or make decisions in place of the cooperative society's management or employees;
- 2) Shall not directly involve in any of the following committee activities that conflict with the auditor's impartiality;
 - a) Handover work,
 - b) Book keeping
 - c) Other activities with relevance to audit work:
- 3) The professional audit opinion given by any cooperative auditor while preparing the audit report shall not cause distortion on the decision of the users of the report.
- 4) Any cooperative auditor shall not submit the report and audit opinion without showing the annual accounts of each year separately in case of unaudited accounts for more than one year;
- 5) Without prejudice to sub-article 4 of this article, the auditor shall give an audit finding and opinion in the audit report if the cooperative society subject to audit does not prepare and submit the financial statements of every year separately;
- 6) Any cooperative society auditor shall not exit his audit assignment without sharing and signing the minutes of the findings with the managers and employees of the cooperative society subject to audit ;

B) Audit implementation methods of cooperatives

- 1) Cooperative auditor may conduct a complete audit by cross-checking and verifying the entire accounting entries with supporting documents.
- 2) The auditor may conduct audit by checking whether operational systems are in place to achieve the objectives for which the cooperative society is established.
- 3) A cooperative auditor may identify risk areas and conduct audit with a specific focus on risk factors.
- 4) A cooperative auditor may conduct audit the accounts by taking samples;.
- 5) An auditor may conduct audit of cooperative societies using the audit method listed in sub articles 1-3 of this article either the first, the second, the third or a combination of all the three as necessary;
- 6) The sample audit method described in sub-paragraph 4 of this article may be implemented based on the following conditions:
 - A) It is believed that the cooperative society has a strong internal control system.
 - B) When it is confirmed that the cooperative society has developed and implemented a modern accounting system;
 - C) If the cooperative society has strong and complete accountants and management;
 - D) When it is believed that it does not harm the interests of the members;
 - E) The method of sample audit described in sub-article 6 of this article shall be implemented when the appropriate authority approves it.

11. Preparation and Presentation of the Audit report and Management Letter

ETHIOPIAN COOPERATIVE COMMISSION

- 1) The audit report shall contain balance sheet statement, profit and loss statement, cash flow statement, capital change statement and annex of statements of accounts;
- 2) It shall contain a management letter;
- 3) The auditor shall state in the audit report that the financial statements have been prepared in accordance with generally accepted or internationally accepted accounting principles;
- 4) The auditor shall state whether the accounting practices used by the cooperative society are similar to or different from previous years.
- 5) If the auditor shall disclose in the audit report it if he doesn't find the information related to the financial statements to be sufficient,.
- 6) The auditor shall summarize the opinions related to the financial statements and shall state the reasons for summarizing.. If he fails to do so he shall state the details in the audit opinion.
- 7) The audit report shall contain a statement that it is not possible to give an opinion if it is not possible to give an audit opinion on the financial statements,
- 8) The auditor shall state that the original account taken for the audit was prepared by the cooperative society if the cooperative has not been a subject of audit before;
 - 1) Auditors shall follow the following writing types when giving an audit opinion:
 - A) Auditors express an unqualified audit opinion in the audit report of the cooperative societies when the financial statements present, according to generally accepted accounting principles, in all material respect, a true and fair view and are free from material misstatements.

ETHIOPIAN COOPERATIVE COMMISSION

- B) Auditors express a **qualified** audit opinion in the audit report of the cooperative societies when there is an area of uncertainty (with some deviations from generally accepted accounting principles) in the financial statements of the cooperative societies. Except for that uncertainty, the financial statements otherwise generally represent the performance of cooperative society.
- C) Auditors express a **disclaimer** audit opinion in the audit report of the cooperative societies when the financial statements of the cooperative societies does not accurately describe and does not follow generally accepted accounting principles;
- D) Auditors express **an adverse** audit opinion in the audit report of the cooperative societies when the financial statements do not present fairly the financial position of the cooperative societies in conformity with generally accepted accounting principles.

12. On complaint lodged in audit work and audit report

1) Complaint on audit work

- A) A person who has a complaint about audit work or his legal representative shall present the complaint in person. In failure to appear in person, he shall submit his complaint in writing or by e-mail to the auditor who gave the audit service to the cooperative society subject to audit;
- B) A person who has a complaint about audit work or his legal representative may submit the complaint to the auditor's immediate supervisor and **to those above** respectively **if** the complaint made under this sub-clause 1(a) is not resolved;

2) Complaint on the audit report

ETHIOPIAN COOPERATIVE COMMISSION

- A) The complainant or his legal representative can submit the complaint on the audit report to the appropriate authority in writing or by e-mail.
- B) The decision of the Ethiopian Cooperative Commission shall be final if the complaint presented in this subsection 2(a) is not resolved by the cooperative structure at each level,
- C) The agent shall attach and present the legal document of representation if the complaint is submitted by an agent,
- D) Re-Audit shall be allowed if the complainant agrees to deposit money to cover the cost of re-audit in the event he loses the appeal;
- E) The cost of the re-audit for leave for appeal by the complaining party shall be deposited in court;
- F) The appropriate authority shall cover the cost of re-audit if the complainant wins the case on appeal;

PART FOUR
ON THE IMPLEMENTATION OF COOPERATIVE SOCIETIES AUDIT
BY DELEGATION

13. The requirements to be fulfilled by the delegate auditor in order to audit

- 1) Legal audit practitioner certificate, renewed business license and professional competence certificate;
- 2) Capacity to deploy auditors for cooperative societies auditing;

14. The appropriate authority shall have the following duties and responsibilities in cooperative societies audit by delegation;

- 1) Identifies cooperative societies subject to delegate audit;
- 2) Shall define the criteria to identify cooperative societies subject to delegate audit;
- 3) Cooperative societies subject to delegate shall be the following;
 - A) Federation of Cooperative Societies
 - B) Unions of Cooperative societies
 - C) Primary cooperative societies that scored level (A) upon evaluation according to the criteria for ranking cooperative societies;
- 4) Without prejudice to sub article 3(c) of this article the appropriate authority may audit other cooperative societies subject to delegate audit by itself;
- 5) Without prejudice to sub article 3(a-c) of this article the appropriate authority may audit those cooperative societies which encountered loss for two fiscal years consecutively;
- 6) Shall notify cooperative societies to be audited by delegation and monitor the auditing process;

ETHIOPIAN COOPERATIVE COMMISSION

- 7) Shall examine the request of cooperative societies for audit by delegation and give response within three days beginning from the date of submission;
- 8) Shall provide professional assistance to cooperative societies in the course of concluding contract with the delegate auditor;
- 9) Shall evaluate and give feedback on the audit report prepared by the audit delegate before presentation and adoption by the general assembly;
- 10) Shall submit the audit report for decision to the general assembly and follow up the implementation of the recommendation in the report in collaboration with the delegate auditor;
- 11) Shall accept complaints made within the time limit on the audit report by an aggrieved party;
- 12) Shall bring to a halt the delegate audit and conduct the audit by itself or another delegate upon a belief that the process is carried out under suspicious (not genuine) circumstances and not valid,
- 13) Shall bring to justice any transgressions of law between and among the delegate auditor, the cooperative society subject to audit or individuals in the course of the audit,
- 14) Shall assign a cooperative professional of its own as a member in the composition of the auction committee deployed by the cooperative society for soliciting a delegate auditor;
- 15) Shall conduct auction for soliciting delegate auditor according to the procurement and sale directive of cooperative societies when the cooperative society represents it to do so;

ETHIOPIAN COOPERATIVE COMMISSION

15. On keeping register of delegate auditors

- 1) The appropriate authority shall register and keep record of its delegate auditors;
- 2) Shall ensure the fulfillment of the prerequisites under article '14' of this directive in order to register an auditor in the delegate auditor list;
- 3) The Ethiopian Cooperative Commission shall notify in writing to the regional cooperative promotion appropriate bodies and other stakeholders the list of auditors in the Ethiopian accounting and audit board, auditors organized in audit professionals cooperatives and its register of delegate auditors at the beginning of a fiscal year;

16. On soliciting, appointing and removing delegate auditors;

- 1) Cooperative societies subject to audit by delegate shall solicit delegate auditors from the list of auditors which the Ethiopian cooperative commission notifies under sub article 3 of article 15 , and from the list of auditors kept by regional responsible accounting and auditing board offices, cooperative societies Federations and Cooperative league;
- 2) The delegate auditor shall inform the appropriate authority in advance of the profile of the individual auditor appointed to conduct an audit of the cooperative society subject to the delegate audit;
- 3) A delegate auditor shall not audit a cooperative society more than twice consecutively,
- 4) Without prejudice to the provision under sub article 3 of this article, upon consent of the appropriate authority and the cooperative society subject to delegate audit, the delegate auditor may conduct audit more than twice;
- 5) The delegate auditor shall be a team with two or more member auditors;

ETHIOPIAN COOPERATIVE COMMISSION

- 6) The delegate auditor shall notify the appropriate authority in case of replacement or removing of a delegate individual auditor;
- 7) The cooperative society subject to a delegate audit after the appropriate selection and appointment by auction shall notify the appropriate authority when there is reason to believe that there is adequate reason to cancel the contract before cancellation;

17. On preliminary arrangements by cooperative societies subject to delegate audit;

- 1) Cooperative societies subject to delegate audit shall allocate budget for the audit at the beginning of the fiscal year approved by the general assembly,
- 2) A cooperative society shall be in possession of a written permission, up on request to be subject of delegate audit, provided by the appropriate authority;
- 3) Cooperative societies subject to delegate audit shall enter into contractual agreement with the delegate auditor from the list provided by the appropriate authority after competitive selection of the auditor; and be audited after notifying the appropriate authority;
- 4) The contractual agreement between the cooperative society subject to delegate audit and the delegate auditor shall include the following;
 - a) Scope of the audit;
 - b) The time required to conduct the audit,
 - c) The service fee;
 - d) The appropriate audit strategy;
 - e) Documents and properties,

ETHIOPIAN COOPERATIVE COMMISSION

- f) Tangible assets and non-tangible assets
 - g) It includes documents, assets and property hose under the responsibility of a third party
- 5) The cooperative society subject to delegate audit shall notify the appropriate authority the designated audit team, the contractual agreement with the delegate auditor and the list of activities of the audit task before commencement of the delegate audit;
- 6) The cooperative society subject to delegate audit shall bring forth the following documents and records during audit;
- a) Contractual agreements, record of minutes, members' register book
 - b) Accounting documents and accounting journals;
 - c) Shall prepare and bring forth to the delegate auditor other documents and records necessary for the conduct of the audit task;
- 7) Cooperative societies subject to audit shall keep books of accounts and prepare financial statements on the basis of internationally accepted principles, standards and cooperative societies accounting directive issued by the appropriate authority;
- 8) Cooperative societies subject to audit shall supply the auditor enough work space and assign a professional expert to provide with information during the audit;
- 9) Cooperative societies subject to delegate audit shall avoid beforehand situations which cause conflict of interest during auditing whether known or unknown while entering into a contract agreement;
- 10) Cooperative societies with various projects and sector activities shall be obliged to keep accounts and prepare financial statements for the sector activities and various projects separately;

18. On Cooperative laws which delegate auditors shall strictly observe;

- 1) Cooperative societies Proclamation No. 985/2009 and Proclamations issued by the regional governments
- 2) Regulation issued for the implementation of Cooperative societies Proclamation No. 985/2009;
- 3) Bylaws of Cooperative Societies;
- 4) Internal regulations of Cooperative societies;
- 5) Various directives issued for cooperative societies
- 6) Other laws of the country relevant to cooperative societies;

PART FIVE **MISCELLANEOUS PROVISIONS**

19. Duty to cooperate

ETHIOPIAN COOPERATIVE COMMISSION

Everyone shall be a duty bound to cooperate in the enforcement of this directive;

20. Disclosure of Information

Any person shall inform or report any professional or ethical misconduct on the part of the auditor during audit to the appropriate authority;

21. Repealed directives

- 1) The provisions in cooperative accounting and audit directive no. 006/2002 regarding cooperative societies audit are repealed by this directive;
- 2) Cooperative societies audit delegation directive no. 20/2009 is repealed by this directive;

22. Effective date

This directive, shall enter in to force as of the date it has been registered by the Ministry of Justice and posted on the website of the commission.

Getachew Melese (Phd)

Commissioner of Ethiopian Cooperative Commission

December 2023

Addis Ababa